THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN). (a) to (d) The writ petition against recovery in respect of Flucortnolone Acetonide was filed by M/s. Lyka in Bombay High Court in August, 1990 and the parawise comments were sent to Central Government Advocate in September, 1990. The Counter Affidavit in this case was filed by the Government in February, 1992. The hearing in this case is yet to start. The case will be defended in the best public interest in accordance with the advice of the Government's legal experts.

(e) and (f) The prices of Flucort range of formulations were fixed for the first time under DPCO, 1987 on 9.3.1990. From the records made available to the Government, it has been found that M/s. Lyka Laboratories had implemented the fixed prices w.e.f. 13.7.1990. The prices of these formulations were further reduced w.e.f. 12.10.1990 and appears that the company did not implement the reduced prices. The company has been asked to furnish the relevant details.

Cases of Drug Companies involved in misutilisation of Imports

735. SHRI SANTOSH KUMAR SAHU: Will the PRIME MINISTER be pleased to state:

(a) whether it is fact that the Department of Company Affairs references in certain cases of Drug Companes in misutilisation of imports;

(b) if so, the names of those companies about those references were received during the last three years, year-wise;

(c) what are the details of their findings and what action has been taken thereon;

(d) what is the effect of their findings in respect of the consumer price given by his Ministry and what is the extent of overcharging per annum on each drug; and

(e) what are the details of set up available by Government to examine the cost audit reports of bulk drugs and in how many cases, the prices given by his Ministry are higher than based on cost audit reports?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (c) Department of Company Affairs referring to certain cases had indicated disparity between consumption norms as published in Appendix 13c of Import Policy 1990-93 in respect of imported raw material, material required for production of certain drugs for exports and as indicted in cost audit reports of manufacturers. These are as follows:

Sl. No.	Name of company	Product involved
1	M/s. Lupin Labs Ltd.	(i) Ethambutol; (ii) Rifampicin (iii) Cethalaxin
2	M/s. Sandoz India Ltd.	(i) Thiamiulin

		(ii) Sulphamethaxazole
		(iii) Clopamide
		(iv) Lectobionate
3	M/s. E. Merck India Ltd.	(i) Vitamin E

Action on this was to be taken by the Departments concerned with the administration of Duty Drawback and Cash Compensatory Support.

(d) and (e) Prices of bulk drugs and formulations are fixed/revised in accordance with the provision of DPCO 1987. For this purpose necessary expert recommendations are obtained from RICP who scrutinise and process cases of formulation prices and take up cost-cum-technical study, including on-the-spot verification in respect of bulk drugs.

Price rise in imported formulations

736. SHRI SANTOSH KUMAR SAHU: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that prices of imported formulations have gone up considerably despite the fact that most of these medicines have been exempted from customs duty;

(b) what are the names of imported formulations whose prices have been increased after the announcement of DPCO, 1987 and what was its earlier and present price;

(c) what are the names of products where either customs duty has been exempted or reduced after the announcement of DPCO, 1987 and what was the price before exemption and after exemption; and

(d) when was the price of each reduced?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) to (d) Under the conditions of alround increase in the costs, the prices are bound to go up, more so, in cases of imported items, including medcines, due to adjustment in the exchange rate of Indian rupees against major foreign currencies, availability of foreign exchange at market rate etc. Steps like exemption from custom duty etc. are aimed at mitigating the situation to the extent possible. Prices of imported formulations are on batch bases and can vary even from batch to batch depending on international market situation at the time of import. The number of products and their batches are so large that time and labour involved in collecting the requisite details would not be commensurate with the results likely to be achevved.

Bulk drugs and formulations under Industrial Licensing Regime

737. SHRI P. UPENDRA: Will the PRIME MINISTER be pleased to state:

(a) whether all bulk drugs and formulation have fallen under the industrial licensed regime due to "technical error" by Government; and

(b) if so, the reason for deviating from the delicensing-oriented policy of Government?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN): (a) and (b) Bulk drugs and formulations have been placed